

STATE PROPERTIES COMMITTEE

Tuesday, July 18, 2006

The meeting of the State Properties Committee was called to order at 10:20 a.m. by Chairman Jerome F. Williams. Other members present were Mr. Robert Griffith representing the Rhode Island Department of Administration and Genevieve Allaire Johnson, Esquire from the Rhode Island Department of Attorney General. Also in attendance were Arn Lisnoff and Charles Newton from the Rhode Island Department of Administration; Paul Carcieri, Tony DeQuattro, Richard Kalunian, Maureen McMahon, Paul Vincent and John Glynn from the Rhode Island Department of Transportation; John Faltus and Larry Mouradjian from the Rhode Island Department of Environmental Management; Robert C. Bromley for the Senate Fiscal Office; Jane Morgan and Rick Baccus from Department of Mental Health, Retardation and Hospitals; Robert Pritchard, Jackie Oliveri and Dale Klatzker from the Providence Center.

The next meeting of the State Properties Committee is scheduled to be held on Tuesday, August 1, 2006. A motion was made to approve both the minutes from the State Properties Committee Meeting of July 5, 2006, and the minutes from the Special Meeting of the State Properties Committee held on July 7, 2006, by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

Chairman Williams indicated that as Mr. Faltus of the Department of Environmental Management was due to appear in court as a witness, the State Properties Committee would hear Mr. Faltus' agenda items first.

ITEM F – Department of Environmental Management – A request was made for

approval of and signatures on a License Agreement between the Department of Environmental Management and Fort Adams Trust to allow the Trust to host a classic car display and concert series at Fort Adams State Park on the evenings of Tuesday, August 22, 2006, through Thursday, August 24, 2006. Mr. Faltus indicated that the Fort Adams Trust has provided the Department of Environmental Management with the proper certificate of liability insurance. Chairman Williams asked how much of the proceeds from this event are allocated to the Fort Adams Trust. Mr. Faltus explained that as part of the License Agreement the Fort Adams Trust negotiated a fee with Jack Falvey Associates for either \$20,000.00 or \$3.50 per ticket, whichever amount is greater together with 15% of all vendor sales. Mr. Griffith asked if alcohol will be served at this event. Mr. Faltus stated that there will be no alcohol served at this event. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM G – Department of Environmental Management - A request was made for approval of and signatures on a License Agreement with authorization to serve alcoholic beverages between the Department of Environmental Management and Fort Adams Trust to allow the Trust to host a fundraising event conducted by the Coastal Extreme Brew Co. on Saturday, July 29, 2006, from 4:00 p.m. to 8:00 p.m. at Fort Adams State Park. Mr. Faltus indicated that the Fort Adams Trust recently sent an e-mail to the Department of Environmental Management requesting that the time of the event be changed to 5:00 p.m. to 9:00 p.m. Mr. Faltus stated that he has a revised special use application form and that the Fort Adams Trust has authorized him to make the revisions on the License Agreement for that time change. Mr. Faltus also indicated the Fort Adams Trust has host liquor

liability insurance in place. Chairman Williams asked how much of the proceeds from this event are allocated to the Fort Adams Trust. Mr. Faltus explained that the Fort Adams Trust has not identified a specific dollar amount. Chairman Williams indicated that the License Agreement states that all profits after expenses will go to the Fort Adams Trust. Chairman Williams asked that a financial accounting be provided to the Committee. Mr. Faltus agreed to provide the Committee with a financial accounting from the Fort Adams Trust. A motion to approve was made by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM H - Department of Environmental Management - A request was made for permission to go out to bid for the 2007 Season for two (2) five (5) year concession contracts for the operation of Burlingame Campground and the operation of the campground store. Mr. Faltus explained that the Department of Environmental Management is currently in the final year of its concession contracts for both the operation of Burlingame Campground and the camp store at Burlingame State Park in Charleston and is requesting permission to begin preparing the bids. Mr. Griffith asked if Mr. Faltus would return to the State Properties Committee to discuss the Request for Proposals. Mr. Faltus indicated that the contracts would go through the bid process. If the Committee would like him to return with the results of the bids, he will be happy to do so. Chairman Williams asked the members of the evaluation team are. Mr. Faltus indicated that the team includes Larry Mouradjian, the Chief of the Division of Parks Steve Wright and himself. The team evaluates the performance of the campground and the concessions over the last five years and determines the terms and conditions of the

new contract with the Division of Purchases. Chairman Williams recommended that the Department of Environmental Management return to the State Properties Committee with a summary of the bid process. Mr. Griffith asked if there have been any inquiries into internet booking and credit card payments on the internet. Mr. Mouradjian indicated that the Department of Environmental Management is presently investigating the potential for reservations, which would then allow the internet booking concept. As a result of the recent trend of non-occupancy during the week, the Department of Environmental Management is leaning towards adopting a percentage of the campground for reservations. Mr. Griffith asked if these contracts affect other campgrounds. Mr. Mouradjian indicated the contracts will have no affect on other campgrounds. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM A – Department of Administration - A request was made for conceptual approval to allow the Providence School Department and the City of Providence to perform limited fire/life/safety improvements to the Hanley Career Education Building in Providence, which is owned by the State of Rhode Island. Mr. Lisnoff indicated that the City of Providence has requested permission to use the building as swing space while it renovates another building. Mr. Lisnoff indicated that the building has some issues relative to fire/life/safety. The State of Rhode Island has had an existing conditions report done and would like to return to the State Properties Committee to discuss a larger scope of work to be done to the Hanley Career Education Building. However, at the present time, the Department of Administration is seeking permission to allow the City of Providence to perform work on the building to ensure that it meets with the requirements

for fire/life/safety. Mr. Lisnoff indicated that the State of Rhode Island will closely supervise the project and any proposed construction will have to be permitted through the Building Code Commission. Chairman Williams asked if any changes to the lease would be necessary as a result of the construction. Mr. Lisnoff indicated no changes to the lease are necessary. Mr. Lisnoff also indicated that he had spoken to the States of Rhode Island's Risk Manager in regard to insurance and whether the State should be named as an insured. The Risk Manager indicated that will not be necessary. In accordance with the current lease, the City of Providence assumes all liability. A motion was made to approve by Ms. Allaire Johnson and seconded by Mr. Griffith.

Passed Unanimously

ITEM B, C, D and E – Department of Mental Health, Retardation and Hospitals - A request was made for approval of and signatures on four (4) Lease Agreements between the Department of Mental Health, Retardation and Hospitals and The Providence Center for Counseling and Psychiatric Services for premises located at 96 Atwood Avenue, Providence, 859 Broad Street, Providence, 424-426 Eaton Street, Providence and 500-520 Hope Street, Providence, Rhode Island. Ms. Morgan indicated that leases for the above properties are currently in effect between the Department of Mental Health, Retardation and Hospitals and The Providence Center. However, in order to obtain financing, The Providence Center is requesting replacement leases with twenty (20) year terms. Ms. Morgan stated that she did not believe these leases are subject to the new statute, which recently passed, as the annual lease fee is \$1.00. Ms. Morgan explained that the terms of the replacement leases are identical to the terms of the current leases. However, Ms. Morgan stated that Department of Mental Health, Retardation and

Hospitals inadvertently omitted the Hope Street property from the certificate of insurance. The Providence Center has the corrected document and will fax it to the Committee today. Ms. Allaire Johnson indicated that as these replacement leases do not take effect until August 1, 2006, the current leases should not be terminated until that time. Chairman Williams asked about the financing, which was mentioned when explaining the need for the twenty (20) year leases. A representative of The Providence Center explained that each of the leased buildings has life/safety issues, capital renovation issues and are in need of expansion. The Providence Center will finance the renovations and improvements, which are necessary to improve these building if it is allowed to engage in long term leases. The Providence Center believes that the longer the lease term, the more likely a bank will be to loan it the necessary funds. Chairman Williams asked if the capital improvements are identified in the terms of the leases. Chairman Williams also asked if there would be any issues relative to the Department of Mental Health, Retardation and Hospitals funding some of those improvements. Ms. Morgan indicated that the improvements have not yet been identified by The Providence Center and she anticipates the need to amend the leases when the necessary improvements are determined. Chairman Williams' concern is that if the Providence Center obtains financing and makes capital improvements or expands a building, who will own the addition and/or improvements. Chairman Williams stated that he believes because the State of Rhode Island owns the building, it will own the addition and/or improvements. The representatives from both The Providence Center and the Department of Mental Health, Retardation and Hospitals as well as the other Committee members concurred with Chairman Williams' statement. A motion was made to approve

Items B,C,D and E, however, with respect to Item E the approval is subject to The Providence Center providing the State Properties Committee with the certificate of insurance which lists the Hope Street property.

Passed Unanimously

ITEM I – Department of Environmental Management - A request was made for approval of and signatures on a Warranty Deed for the acquisition of approximately 3.38 acres of land located in the Town of Exeter owned by Paul R. Kennedy. Ms. Primiano provided a map to the members of the State Properties Committee which illustrated the subject property. Ms. Primiano explained the property is a relatively small parcel of land located on Ten Rod Road and abuts the State's Arcadia Management Area. The parcel is an inholding and will be incorporated into the management area and be available for use by the public consistent with the surrounding property. The Department of Environmental Management is paying house-lot value for the parcel of land with some adjustments due to the existence of wetlands on the property. The Department of Environmental Management received an appraisal, which indicates the land is being purchased for fair market value. The Department of Environmental Management is also compensating the property owner for the payment of taxes through the end of the year. Mr. Griffith asked if the appraisal was an outside appraisal. Ms. Primiano indicated the appraisal was an outside appraisal. Chairman Williams asked if the purchase price includes the taxes. Ms. Primiano indicated that the taxes are included in the purchase price. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM J – Department of Transportation - A request was made for approval of and signatures on a License Agreement between the Department of Transportation and Stephen N. Robitaille for two thousand two hundred forty (2,240) square feet of land located at the rear of 73 Carr's Land in Warwick, Rhode Island. Mr. Glynn explained that Mr. Robitaille, the abutter, has an above ground swimming pool and a stone wall which have encroached on the subject property. The License Agreement is for a term of five years at the minimum fee of \$50.00 per month. Mr. Glynn explained that the subject property is an insignificant parcel of land, which is extremely sloped and of no use to the State of Rhode Island. Chairman Williams asked why the Department of Transportation does not sell the parcel of land to Mr. Robitaille. Mr. Glynn indicated that he believed the parcel of land cannot be sold as a result of the historic constraints relative to the Railroad. Mr. Glynn also explained that Mr. Robitaille intends to dismantle and remove the above-ground swimming pool, once his children go to college within the next two (2) to three (3) years. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM K - Department of Transportation - A request was made for approval of and signatures on a License Agreement between the NewportFed/Westerly Savings Bank and the Department of Transportation for the NewportFed/Westerly Savings Bank to erect a sign on 220 square feet of vacant State-owned land located at Post Road (Route 1) in Westerly, Rhode Island. Mr. DeQuattro explained that the sign is a large granite rock which is encroaching on State-owned property. The NewportFed/Westerly Savings Bank wished to purchase the subject property; however, the Department of Transportation

would not sell the property as it wants to preserve the corridor. Chairman Williams wanted to clarify that the sign has already been erected and is encroaching on State-owned property. Mr. DeQuattro stated that the sign is presently encroaching on State-owned property. Chairman Williams asked if it was known how long the sign has been encroaching on State-owned property. Mr. DeQuattro indicated the sign has been encroaching on State-owned property for approximately six (6) months. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM L – Department of Transportation – A request was made for approval of and signatures on a corrected Quit Claim Deed for Amalgamated Financial Equities III, LLC. Mr. Jackson explained that the subject property was put out to bid because it was a remnant parcel of land, which is sloped and includes three (3) utility easements. Mr. Jackson indicated that the Quit Claim Deed was approved by the State Properties Committee on November 18, 2003. Subsequently, in April of 2004, it was discovered that the Department of Transportation listed incorrect plat and lot numbers on the deed. It was later discovered that the legal description contained in the deed was also incorrect. Chairman Williams asked who provided the legal description. Mr. Jackson indicated the legal description was prepared by Hinckley, Allen & Snyder, LLC. Mr. Jackson stated that he sent the corrected legal description to the surveyor for his review. The surveyor approved the corrected legal description. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-4(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

A motion was made to enter into Executive Session by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM E1 – Department of Transportation - A request was made for conceptual approval to convey 5.4 ± acres of land to the City of Newport, J.T. Connell Highway, Newport, Rhode Island. After discussion in Executive Session, a motion to approve was made by Mr. Griffith and seconded by Ms. Allaire Johnson subject to the inclusion of language regarding the flipping of the property and the sharing of revenue upon the sale of the property as discussed in Executive Session.

Passed Unanimously

ITEM E2 – Department of Transportation – A request was made for approval to convey 3.5 ± acres of land to the Town of Smithfield located at the intersection of Route 7 and Route 116 in Smithfield, Rhode Island. After discussion in Executive Session, a motion to approve was made by Mr. Griffith and seconded by Ms. Allaire Johnson subject to the inclusion of language regarding the flipping of the property and the sharing of revenue upon the sale of the property as discussed in Executive Session.

Passed Unanimously

ITEM E3 – Department of Transportation - A request was made for authorization to acquire new three-year temporary easements in conjunction with the construction of the replacement of the Barrington Bridge#123 in Barrington, Rhode Island. After

discussion in Executive Session, a motion to approve was made by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM E4 – Department of Transportation - A request was made to acquire land and easements in Tiverton necessary for the replacement of the Sakonnet River Bridge. After discussion in Executive Session, a motion to approve was made by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:40 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

Holly H. Rhodes, Executive Secretary